

What is Burial Insurance?

☀️ Burial insurance, also known as funeral or *final expense insurance*, is a type of whole life insurance policy designed to cover your funeral, burial, and other end-of-life expenses. Given the high cost of funerals, having a burial insurance policy can help relieve any costs your loved ones face due to your passing. There are generally two types of burial insurance: simplified issue and guaranteed issue.

How does burial insurance work?

👉 You simply choose the amount of coverage you want and determine who will be the beneficiary upon your death. The beneficiary should contact the insurance company to begin the claims process as soon as possible following the death of the insured. The beneficiary may be required to provide identification along with a claims form, as well as a certified copy of the death certificate.

What does a funeral insurance policy cover?

👉 Final expense insurance is designed to cover the costs your loved ones will face in the event of your death, but there are no restrictions on how the payout can be used. Your beneficiaries might choose to use your burial insurance payout for:

- Funeral arrangements, including viewing and service
- Burial costs, including interment
- Cremation costs
- Medical bills
- Outstanding debt
- Legal costs

Given the lower coverage amount, there may not be much, or any, of your death benefit left after your beneficiaries have used it to pay your end-of-life expenses. If you wish to leave behind a more substantial sum, consider a policy that can hold more significant value, like a traditional whole life policy, universal life policy or term life policy.

What is Burial Insurance?

How much does burial insurance cost?

☞ Burial insurance is often considered one of the more affordable types of life insurance available, even for older applicants, due in part to its lower coverage amounts. In terms of burial insurance cost, final expense life insurance rates start at around \$50 - \$100 a month with coverage amounts from \$5,000 to \$35,000 and premiums can be paid monthly or annually.

Who can get a funeral insurance policy?

☞ Coverage is typically available for those between the ages of 50 and 85. One of the benefits of funeral insurance is that it doesn't require a medical exam to qualify. Depending on the type of policy you pursue, even those without health insurance or who have a pre-existing condition can usually obtain a policy.

Does term life insurance cover funeral costs?

☞ A term life insurance payout can cover whatever your beneficiaries decide to use it for, including your existing debts and funeral costs. So if you already have a term policy large enough to cover your final expenses, you may not need a separate funeral insurance policy. However, **term life insurance will expire if you outlive the policy's term**. Burial insurance is typically a whole life policy that lasts until you pass away. If you want to make sure your funeral costs are covered no matter when you die, a burial insurance policy can make more sense than a term life policy.

TIP: You might also consider purchasing both — a term life policy to replace your income if you die before retirement, and a burial policy to cover your final expenses, no matter when you die.